

EXHIBIT 1

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CLIFFORD A. ROSEN, an individual;
RONALD A. CHRISTENSEN, an
individual

Plaintiffs,

vs.

URBAN COMMONS, LLC, a Delaware
Limited Liability Company; URBAN
COMMONS 6TH AVE SEATTLE, LLC, a
Delaware Limited Liability Company;
URBAN COMMONS BATTERY PARK,
LLC, a Delaware Limited Liability
Company; CHICAGO ANALYTIC
TRADING COMPANY, LLC, d/b/a
LITTLERIVER CAPITAL, LLC, a
Delaware Limited Liability Company;
DIGITAL CAPITAL MARKETS, LLC, a
Maryland Limited Liability Company;
TAYLOR WOODS, an individual;
HOWARD WU, an individual; C. BRIAN
EGNATZ, an individual; DOE
DEFENDANT 1 WU DEVELOPMENT,
LLC, a California Limited Liability
Company; DOE DEFENDANT 2 JASON
BIRT, an individual and DOES 1 through
8, inclusive

Defendants

Case No.: 8:20-cv-01973-JLS-DFM

**THIRD AMENDED COMPLAINT
FOR:**

- (1) VIOLATION OF SECTION 5 OF THE SECURITIES AND EXCHANGE ACT;
- (2) VIOLATION OF SECTION 12 OF THE 1933 SECURITIES ACT;
- (3) VIOLATION OF SECTION 15 OF THE 1933 SECURITIES ACT;
- (4) VIOLATION OF SECTION 17 OF THE 1933 SECURITIES ACT;
- (5) VIOLATION OF SECTION 10(b) OF THE 1934 SECURITIES AND EXCHANGE ACT AND RULE 10b-5;
- (6) VIOLATION of Cal. Corp. Code §§ 25401 & 25501;
- (7) VIOLATION OF Cal. Corp. Code §§ 2400 & 25500
- (8) VIOLATION of Cal. Corp. Code § 25403;
- (9) VIOLATION of Cal. Corp. Code §§ 25503, 25504.1 & 25110;
- (10) VIOLATION of Cal. Corp. Code § 25504;
- (11) VIOLATION OF Cal. Corp. Code §§ 25401 & 25504.1
- (12) VIOLATION OF Cal. Corp. Code §§ 25200, et seq. & 25501.5;
- (13) THEFT BY FALSE PRETENSE (Cal. Penal Code §496(c))
- (14) CONSTRUCTIVE FRAUD;
- (15) FRAUD—FALSE PROMISE;

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- (16) FRAUD—CONCEALMENT;
- (17) FRAUD—INTENTIONAL MISREPRESENTATION;
- (18) NEGLIGENT MISREPRESENTATION;
- (19) NEGLIGENCE;
- (20) VIOLATIONS OF Cal. Corp. Code § 17704.41; and
- (21) Unfair Business Practices (Cal. Bus. Code. § 172000)

DEMAND FOR JURY TRIAL

1 Plaintiffs Clifford A. Rosen, MD and Ronald A. Christensen, MD. (collectively,
2 “Plaintiffs”) complain and allege as follows against Defendants URBAN COMMONS,
3 LLC (“URBAN COMMONS”), URBAN COMMONS 6TH AVE SEATTLE (“UC
4 SEATTLE”), URBAN COMMONS BATTERY PARK, LLC (“UC BATTERY PARK”),
5 TAYLOR WOODS (“WOODS”), HOWARD WU (“WU”), C. BRIAN EGNATZ
6 (“EGNATZ”), DOE DEFENDANT 2 JASON BIRT (“BIRT”), and DOES 3 through 8
7 (“DOE Defendants”) (collectively, “Defendants”) as follows:

8 **NATURE OF ACTION**

9 1. This action stems from the unscrupulous, fraudulent and unlawful sales,
10 within this District, of unregistered and non-exempt securities by Defendants to Plaintiffs.
11 The Defendants misled the Plaintiffs into investing \$750,000 in January and March of 2020,
12 falsely promising that said offerings would be completed within weeks and months of such
13 investment. All the while, Defendants knew their parent company was being investigated
14 for securities violations in Singapore. Worse yet, Defendants knew they were in default of
15 a facility loan critical to their ongoing operations. Yet, none of these material facts were
16 disclosed to Plaintiffs.

17 2. Plaintiffs allege that all Defendants conspired and committed violations of
18 Federal and California Securities Laws (defined below) and other statutes, as well as actual
19 and constructive fraud, intentional misrepresentation, and/or negligent misrepresentations,
20 and other torts for which Plaintiffs seek relief and remedies herein.

21 3. Plaintiffs seek damages and/or rescission of securities sale contracts and
22 transactions at issue, with restitution, monies on common counts, and other relief in this
23 action.

24 **JURISDICTION AND VENUE**

25 4. This Court has jurisdiction of this action and of the parties pursuant to 28
26 U.S.C. §§ 1331 and 1332, and by diversity of citizenship. Plaintiffs assert claims herein
27 pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange
28 Act”) [15 U.S.C. §§ 78j and 78t], and Rule 10b-5 promulgated thereunder [17 C.F.R. §

240.10b-5], and under 17 C.F.R. § 230. 405. The Exchange Act, and the rules and regulations issued thereunder, including Rule 10b-5, and other relevant Federal securities statutes, regulations and authorities are hereafter collectively referred to as the “Federal Securities Laws.”

5. Defendants, directly or through their agents and representatives, are and have been engaged in regular, continuing and substantial activities, communications, transactions and conduct within this District, throughout California and in other States of the United States [“Other States”], and other United States citizens.

6. This Court has pendent, supplemental and ancillary jurisdiction over Plaintiffs’ state court claims for relief pursuant to 25 U.S.C. § 1367 in that such claims are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy.

7. Plaintiffs’ Federal and California Securities Laws claims, and California statutory and common law claims, are so interrelated and relevant to each other as to constitute the same controversy, dispute and case under Article III of the United States Constitution.

8. This Court also has jurisdiction by 28 U.S.C. § 1332 based on the complete diversity among the parties, and the amount in controversy exceeds \$75,000.00.

9. Venue is proper in the Central District of California, including under Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)], and 28 U.S.C. § 1391(b).

PARTIES

10. Plaintiff Clifford A. Rosen, MD (hereinafter “DR. ROSEN”), is an individual residing in Lakeshore, Ontario, Canada.

11. Plaintiff Ronald A. Christensen, MD (hereinafter, “DR CHRISTENSEN”), is an individual residing in Scottsdale, Arizona.

12. Defendant Urban Commons, LLC (hereinafter, “URBAN COMMONS”), is a Delaware Limited Liability Company with its principal place of business in Los Angeles, California. In particular, Urban Commons is a privately held real estate investment trust

(REIT) management company.

13. Defendant Urban Commons 6th Ave. Seattle (hereinafter, “UC SEATTLE”) is a Delaware Limited Liability Company whose Managers and/or Members are citizens and residents of Los Angeles County, State of California.

14. Defendant Urban Commons Battery Park, LLC (hereinafter, “UC BATTERY PARK”) is a Delaware Limited Liability Company whose Managers and/or Members are citizens and residents of Los Angeles County, State of California.

15. Plaintiffs are informed and believe that defendant Taylor Woods (hereinafter, “WOODS”) is, and at all relevant times herein was until recently, an individual residing in the State of California, County of Orange, and conducting business in the State of California, County of Los Angeles.

16. Plaintiffs are informed and believe that defendant Howard Wu (hereinafter, “WU”) is, and at all relevant times herein was, an individual residing in the State of California, County of Orange and conducting business in the State of California, County of Los Angeles.

17. Plaintiffs are informed and believe that defendant C. Brian Egnatz (hereinafter, “EGNATZ”) is, and at all relevant times herein was, an individual residing in New York, New York and conducting business in the State of California.

18. Plaintiffs are informed and believe that defendant WOODS is a Member and/or Manager of URBAN COMMONS.

19. Plaintiffs are informed and believe that defendant WU is Manager and/or Member of URBAN COMMONS.

20. Plaintiffs are informed and believe that Doe Defendant 2 Jason Birt (hereinafter “BIRT”) is an individual residing in Carroll, Iowa, and conducting business in the State of California, County of Los Angeles.

21. Plaintiffs are informed and believe that defendant EGNATZ is a member of the Board of Directors of URBAN COMMONS.

22. Plaintiffs are informed and believe that defendant URBAN COMMONS is

1 the sole Manager of UC SEATTLE.

2 23. Plaintiffs are informed and believe that defendant URBAN COMMONS is
3 the sole Manager of UC BATTERY PARK.

4 **GENERAL ALLEGATIONS**

5 **UC Seattle**

6 24. In or about January 2020, URBAN COMMONS issued a private offering
7 (“UC Seattle Offering”) to investors seeking to raise Forty Million Dollars (\$40,000,000)
8 in membership interest in Urban Commons 6th Ave Seattle, LLC (“UC SEATTLE”). UC
9 SEATTLE is the single purpose limited liability company through which Defendants were
10 going to purchase the real property known as Hilton Seattle, located at 1301 6th Avenue,
11 Seattle, Washington (“Hilton Seattle”). A true and correct copy of the Membership Interest
12 Subscription Agreements for Plaintiffs Ronald Christensen, MD and Clifford A. Rosen,
13 MD are attached hereto as **Exhibits A and B**.

14 25. On or about January 15, 2020, Plaintiffs had a telephone call with Defendants,
15 including WOODS and EGNATZ, about investing in UC SEATTLE. During this telephone
16 call, Defendants represented to Plaintiffs, among other things that, after UC SEATTLE
17 acquired the Hilton Seattle, the holding period would be about 3-4 months, at which point
18 UC SEATTLE would sell the Hilton Seattle to Eagle Hospitality Trust (“EHT”). EHT is a
19 hospitality stapled group sponsored by URBAN COMMONS and comprised of Eagle
20 Hospitality Real Estate (“EH-REIT”) and Eagle Hospitality Business Trust (“EH-BT”).
21 During this call, Defendants further represented to Plaintiffs that Plaintiffs would receive a
22 30% return on their investment.

23 26. Based on these and other representations alleged throughout this Complaint,
24 false representations that these were “great deals,” and that Plaintiffs would be “great
25 additions” to the “family”, Plaintiffs both participated in the UC Seattle Offering.

26 27. DR. CHRISTENSEN, in reliance on the misrepresentations detailed
27 throughout this Complaint, invested Two Hundred and Fifty Thousand Dollars
28 (\$250,000.00) in UC SEATTLE. Specifically, on or about January 21, 2020, DR.

1 CHRISTENSEN executed a Membership Interest Subscription Agreement with UC
2 SEATTLE (“UC Seattle Subscription Agreement”). On that same day, DR.
3 CHRISTENSEN, via a wire transfer, remitted his investment of Two Hundred and Fifty
4 Thousand Dollars (\$250,000.00) to URBAN COMMONS.

5 28. DR. ROSEN, in reliance on the misrepresentations detailed throughout this
6 Complaint, invested Two Hundred and Fifty Thousand Dollars (\$250,000.00) in UC
7 SEATTLE. Specifically, on or about January 29, 2020, DR. ROSEN executed a
8 Membership Interest Subscription Agreement with UC SEATTLE and via a wire transfer,
9 remitted his investment of Two Hundred and Fifty Thousand Dollars (\$250,000.00) to
10 URBAN COMMONS.

11 29. The UC Seattle Subscription Agreement expressly stated that “the Company
12 (UC Seattle) will not use or apply the purchase price until the Company has raised the
13 necessary funds from this offering. The funds raised for the offerings will be used to invest
14 in an entity which shall acquire, own, operate, and eventually sell that certain property
15 known as the Hilton Seattle, located at 1301 6th Avenue, Seattle, Washington (the
16 “Property.”)

17 30. The UC Seattle Subscription Agreement further stated that “(i) the purchase
18 price will be deposited into an interest-bearing secure bank account and (ii) all interest
19 earned on such account will be used by the Company to pay all costs and expenses
20 (including, but not limited to, all legal, accounting and management costs and expenses)
21 incurred in connection with this offering and the formation of the Company.”

22 31. The UC Seattle Subscription Agreement further stated that in the event the
23 subscription were terminated, “all funds raised by the Company will be returned to the
24 applicable investors, together with any interest remaining on such funds following the
25 payment of all costs and expenses.”

26 32. The UC Seattle Subscription Agreement further stated that the Company
27 would be obtaining acquisition loans in an approximate aggregate amount of approximately
28 Sixty Million Dollars (\$60,000,000.00) in order to acquire and refurbish the Property.

33. Defendants represented that the UC Seattle Offering would be completed by March 2020.

34. Plaintiffs are informed and believe and therefore allege that during the marketing and solicitation of investments in the membership interest of UC SEATTLE, Defendants misrepresented to Plaintiffs that as of the week of January 6, 2020, Defendants had already raised Twenty Five Million Dollars (\$25,000,000) from its offering of membership interests in UC SEATTLE and that WOODS had personally invested Five to Ten Million Dollars (\$5,000,000 - \$10,000,000).

35. Plaintiffs are informed and believe and therefore allege that to date, Defendants have not completed their offering for UC SEATTLE nor have Defendants raised the Forty Million Dollars (\$40,000,000) from its offering of membership interests in UC SEATTLE.

36. Plaintiffs are informed and believe and therefore allege that to date, Defendants have not obtained a financing commitment for the acquisition loans in an approximate aggregate amount of Sixty Million Dollars (\$60,000,000.00) in order to acquire and refurbish the Hilton Seattle.

37. Plaintiffs are informed and believe and therefore allege that to date, Defendants have not acquired or refurbished the Hilton Seattle.

UC Battery

38. In or about February 2020, URBAN COMMONS issued a private offering (“UC Battery Park Offering”) to investors seeking to raise Seventy Million Dollars (\$70,000,000.) in membership interest in Urban Commons Battery Park, LLC (“UC BATTERY PARK”). UC BATTERY PARK is the single purpose limited liability company through which Defendants were going to purchase the real property known as the Wagner Hotel (formerly known as the Ritz-Carlton Battery Park), located in lower Manhattan at 2 West Street, New York, New York (“Wagner Hotel”). A true and correct copy of the UC Battery Park Membership Interest Subscription Agreement is attached hereto as **Exhibit C**.

1 39. On or about February 26, 2020, DR. CHRISTENSEN had a telephone call
2 with Tina Ellis and EGNATZ about investing in UC BATTERY PARK. During this
3 telephone call, EGNATZ represented to DR. CHRISTENSEN, among other things, that
4 investing in UC BATTERY PARK would yield a 70% return on investment and that the
5 sale of the Wagner Hotel to EHT would be completed by the fourth quarter of 2020.

6 40. DR. CHRISTENSEN participated in the UC Battery Park Offering.
7 Specifically, in reliance on the misrepresentations detailed throughout this Complaint, DR.
8 CHRISTENSEN invested Two Hundred and Fifty Thousand Dollars (\$250,000.00) in UC
9 BATTERY PARK. Specifically, on or about February 27, 2020, DR. CHRISTENSEN
10 executed a Membership Interest Subscription Agreement with UC BATTERY PARK (“UC
11 Battery Park Subscription Agreement”). Thereafter, on or about March 3, 2020, DR.
12 CHRISTENSEN, via a wire transfer, remitted his investment of Two Hundred and Fifty
13 Thousand Dollars (\$250,000.00) to URBAN COMMONS.

14 41. The UC Battery Park Subscription Agreement expressly stated that the UC
15 Battery Park Offering would be completed by March 6, 2020.

16 42. The UC Battery Subscription Agreement stated that “the Company (UC
17 Battery Park) will not use or apply the purchase price until the Company has raised the
18 necessary funds from this offering. The funds raised for the offerings will be used to invest
19 in an entity which shall acquire, own, operate, and eventually sell that certain property
20 formerly known as The Ritz-Carlton New York, Battery Park, NY (the “Property”).”

21 43. The UC Battery Park Subscription Agreement further stated that “(i) the
22 purchase price will be deposited into an interest-bearing secure bank account and (ii) all
23 interest earned on such account will be used by the Company to pay all costs and expenses
24 (including, but not limited to, all legal, accounting and management costs and expenses)
25 incurred in connection with this offering and the formation of the Company.”

26 44. The UC Battery Park Subscription Agreement stated that in the event the
27 subscription were terminated, “all funds raised by the Company will be returned to the
28 applicable investors, together with any interest remaining on such funds following the

1 payment of all costs and expenses.”

2 45. The UC Battery Subscription Agreement stated that the Company would be
3 obtaining loans in an approximate aggregate amount of One Hundred Million Dollars
4 (\$100,000,000.00) in order to acquire the Property.

5 46. Plaintiffs are informed and believe and therefore allege that to date,
6 Defendants have not completed the UC Battery Park Offering nor have Defendants raised
7 the Seventy Million Dollars (\$70,000,000.) from its offering of membership interests in UC
8 BATTERY PARK.

9 47. Plaintiffs are informed and believe and therefore allege that to date,
10 Defendants have not obtained a financing commitment for the acquisition loans in an
11 approximate aggregate amount of One Hundred Million Dollars (\$100,000,000.00) in order
12 to acquire and refurbish the Wagner Hotel.

13 48. Plaintiffs are informed and believe and therefore allege that to date,
14 Defendants have not acquired and refurbished the Wagner Hotel.

15 49. Plaintiffs deposed defendant EGNATZ on August 5, 2021. During the
16 deposition, EGNATZ testified about his working relationship with BIRT and confirmed
17 that EGNATZ worked with BIRT. During that deposition EGNATZ also authenticated an
18 email where EGNATZ confirmed he and BIRT were “exclusive” agents in placing
19 securities for the Urban Common LLC entities, including UC BATTERY PARK and UC
20 SEATTLE. BIRT is copied on this email and BIRT does not correct this representation that
21 he and EGNATZ are “exclusive” agents for the UC entities. In this email, BIRT and
22 EGNATZ further direct Tina Ellis, who liaised for Plaintiffs, not to contact WOODS
23 directly—that all communications must be filtered through BIRT or EGNATZ—and that
24 they would determine who should be contacted at URBAN COMMONS. Again, BIRT did
25 not respond to these emails to deny or dispute these statements.

26 50. During this deposition, Plaintiffs also learned that BIRT received
27 compensation from Urban Commons LLC. Plaintiffs are informed and believe and
28 therefore allege that BIRT acted as a compensated unregistered sales agent on behalf of

1 URBAN COMMONS to market, offer, and sell membership interests in UC SEATTLE and
2 UC BATTERY PARK to investors such as Plaintiffs.

3 51. Plaintiffs are informed and believe and therefore allege that EGNATZ acted
4 as a compensated unregistered sales agent on behalf of URBAN COMMONS to market,
5 offer, and sell membership interests in UC SEATTLE and UC BATTERY PARK to
6 investors such as Plaintiffs. Plaintiffs are informed and believe and therefore allege that at
7 all times relevant herein, EGNATZ operated individually and (i) through CHICAGO
8 ANALYTIC and LITTLE RIVER as a Partner from April 2019 through May 2020 and as
9 a FINRA-registered broker from May 2019 through May 2020; (ii) through DIGITAL
10 CAPITAL as a FINRA-registered broker from June 2020 through November 2020; and (iii)
11 through Milepost Real Estate, LLC as Founder from May 2019 through the present, and
12 (iv) Milepost Capital Management, LLC as CIO from February 2016 through the present.
13 (See Exhibit H.)

14 52. Plaintiffs further allege that EGNATZ aggressively solicited and induced
15 Plaintiffs into collectively investing \$750,000 in membership interests in UC SEATTLE
16 and UC BATTERY PARK (collectively, the “Securities Transactions”) by falsely
17 representing that EGNATZ’s prior investments with URBAN COMMONS had earned a
18 cash on cash return of 30% in three and one-half months. Plaintiffs are further informed and
19 believe and therefore allege that when EGNATZ sold Plaintiffs the unregistered securities,
20 EGNATZ was not licensed under federal and/or state law or exempt from any licensing
21 requirements.

22 53. Plaintiffs further allege on information and belief that EGNATZ and BIRT
23 worked together to concoct their “pitch” to Plaintiffs and other potential investors. In doing
24 so, they knowingly and intentionally misrepresented material facts and omitted material
25 facts from Plaintiffs and others like them. Plaintiffs are further informed and believe and
26 therefore allege that when BIRT sold Plaintiffs the unregistered securities, BIRT was not
27 licensed under federal and/or state law or exempt from any licensing requirements.
28

1 54. BIRT along with EGNATZ represented themselves as exclusive agents for
2 URBAN COMMONS, UC BATTERY, and UC SEATTLE to Plaintiffs. BIRT, as
3 EGNATZ's partner, engaged directly and aided and abetted EGNATZ and the other
4 DEFENDANTS in luring Plaintiffs to invest in UC SEATTLE and UC BATTERY PARK.
5 On information and belief, and on that basis, Plaintiffs allege that BIRT is an unregistered
6 agent who engaged in the sale of securities for URBAN COMMONS, UC SEATTLE and
7 UC BATTERY PARK.

8 55. BIRT, along with EGNATZ, as admitted "exclusive" agents in placing
9 securities for URBAN COMMONS, UC BATTERY PARK, and UC SEATTLE in
10 Plaintiffs' investment in UC BATTERY PARK and UC SEATTLE, owed a duty of care to
11 Plaintiffs.

12 56. Plaintiffs further allege that the securities which URBAN COMMONS sold
13 to Plaintiffs were unregistered in violation of the Securities Act of 1933 and were not
14 exempt from such registration or qualification under the Securities Act of 1933. Therefore,
15 the offer and sale of membership interests by Defendants in UC SEATTLE and UC
16 BATTERY PARK violated the Securities Act of 1933 and California securities law.

17 57. Plaintiffs are informed and believe and therefore allege that in or about May
18 2019, URBAN COMMONS went public on the Singapore Stock Exchange as EAGLEHT
19 SP. Plaintiffs are informed and believe and therefore allege that WOODS and WU own
20 17% of the equity in EAGLEHT and were and/or are Chairman and Deputy Chairman,
21 respectively of the EAGLEHT board.

22 58. During the marketing and solicitation of investments in the membership
23 interest of UC SEATTLE and UC BATTERY PARK, Defendants further misrepresented
24 that URBAN COMMONS would invest 10-25% of the equity in the purchase of the Seattle
25 Hilton and the Wagner Hotel. Plaintiffs are informed and believe and therefore allege that
26 at the time these misrepresentations were made, Defendants knew these misrepresentations
27 were false and made them in order to induce Plaintiffs into investing in UC SEATTLE and
28 UC BATTERY PARK.

1 59. During the marketing and solicitation of investments in the membership
2 interests of UC SEATTLE and UC BATTERY PARK, Defendants misrepresented that the
3 membership interest in UC SEATTLE would be sold to EAGLEHT by early summer of
4 2020 and the membership interest in UC BATTERY PARK would be sold to EAGLEHT
5 by the fourth quarter of 2020. Plaintiffs are informed and believe and therefore allege that
6 at the time these misrepresentations were made, Defendants knew these misrepresentations
7 were false and made them in order to induce Plaintiffs into investing in UC SEATTLE and
8 UC BATTERY PARK.

9 60. During the marketing and solicitation of investments in the membership
10 interest of UC BATTERY PARK, Defendants misrepresented that investment in UC
11 BATTERY PARK would yield a significant return on investment as a result of the
12 purported \$500,000 per door purchase price for the Wagner Hotel. Plaintiffs are informed
13 and believe and therefore allege that at the time these misrepresentations were made,
14 Defendants knew these misrepresentations were false and made them in order to induce DR.
15 CHRISTENSEN into investing in UC BATTERY PARK.

16 61. Plaintiffs are informed and believe and therefore allege that at the time
17 Defendants issued its offering of membership interests in UC SEATTLE and UC
18 BATTERY PARK to Plaintiffs (between January and March 2020), Defendants knew
19 EAGLEHT was not performing well and failed to disclose this material fact to Plaintiffs.
20 Specifically, Defendants knew that EH-REIT had defaulted on a Three Hundred and Forty-
21 One Million Dollar (US\$341,000,000.00) facility loan. Indeed, as Defendants made these
22 written and verbal material misrepresentations between January 2020 and March 2020 to
23 Plaintiffs, Defendants had already defaulted on their US\$341,000,000 facility loan and
24 trading of EAGLEHT units was suspended. On information and belief, and on that basis,
25 Plaintiffs allege that Defendants' default was caused by the failure of URBAN
26 COMMONS, the master lessee of EHT's properties, to place with EHT the full sum of
27 security deposits due under the master lease agreements, and make timely rental payments.
28 Importantly, this default started in or about December 2019.

62. Plaintiffs are informed and believe and therefore allege that at the time Defendants issued its offering of membership interests in UC SEATTLE and UC BATTERY PARK to Plaintiffs (between January and March 2020), Defendants knew EAGLEHT was not performing well, knew EH-REIT had defaulted on its US\$341,000,000.00 facility loan, and knew trading of EHT had been suspended, and despite knowing this, Defendants still represented to Plaintiffs that by investing in UC SEATTLE and UC BATTERY PARK, there would be no exposure to Singapore market fluctuations or risk.

63. Further, Plaintiffs are informed and believe and therefore allege that at the time Defendants issued its offering of membership interests in UC SEATTLE and UC BATTERY PARK, Defendants knew they were under investigation by the Monetary Authority of Singapore (MAS) and the Singapore Exchange for suspected breaches of disclosure requirements under Section 203 of the Singapore Securities and Futures Act, and breaches of regulations and listing rules in relation to EH-REIT.

64. Plaintiffs are informed and believe and therefore allege that as a result of the loan default, trading of EHT units was voluntarily suspended on or about March 24, 2020, only 21 days after Defendants received DR. CHRISTENSEN'S \$250,000 investment in UC BATTERY PARK.

65. Plaintiffs further allege that during the marketing and solicitation of investments in the membership interest of UC SEATTLE and UC BATTERY PARK, Defendants failed to disclose that Defendants had failed to make timely rental payments since 2019 and failed to disclose to Plaintiffs the default by URBAN COMMONS.

66. Plaintiffs further allege that when Plaintiffs asked Defendants about EH-REIT defaulting on its US\$341 million facility loan and EAGLEHT's problems with the Singapore government, Defendants told Plaintiffs these problems were irrelevant as Defendants had been able to find a new funder for EHT.

67. Defendants made misrepresentations of material facts and omitted material facts concerning URBAN COMMONS, WOODS, and WU in the offering of the

1 membership interests in UC SEATTLE and UC BATTERY PARK. Plaintiffs relied on such
2 misrepresentations in deciding to invest. But for such misrepresentations and material
3 omissions, Plaintiffs would not have invested \$750,000 (collectively) in UC SEATTLE and
4 UC BATTERY PARK.

5 68. In sum, in their pitch to solicit the purchase of membership interests in UC
6 SEATTLE and UC BATTERY PARK by Plaintiffs, DEFENDANTS, by means of written
7 and oral communications, made untrue statements of material facts and omitted to state
8 material facts necessary to make the statements made, in the light of the circumstances
9 under which the statements were made, not misleading, including, inter alia:

- 10 a. They materially misrepresented and omitted material facts concerning their
11 credentials, experience, expertise, and capabilities in order to induce the trust
12 and confidence of Plaintiffs and other investors and lenders;
- 13 b. They failed to disclose the default by URBAN COMMONS on the Master
14 Lease Agreements with EHT that occurred prior to the offering and EHT's
15 subsequent default and acceleration of its Three Hundred and Forty-One
16 Million Dollar (US\$341,000,000.00) loan;
- 17 c. They materially misrepresented the value of the return on investment,
18 claiming the net returns for investors such as Plaintiffs would be "significant"
19 and "repeatable";
- 20 d. They failed to disclose and omitted material facts concerning URBAN
21 COMMONS, WOODS, and WU in the offering of the membership interests;
- 22 e. They materially misrepresented and omitted material facts concerning the
23 completion dates for the offerings and the dates on which the Seattle Hilton
24 and the Wagner Hotel would be sold to EAGLEHT;
- 25 f. They materially misrepresented and omitted material facts concerning raising
26 the necessary funds from the offering of membership interests in order to
27 purchase the Seattle Hilton and the Wagner Hotel; and
- 28 g. They materially misrepresented and omitted material facts concerning the

1 status of the investment, acquisition of the Seattle Hilton and the Wagner
2 Hotel, and escrow account allegedly holding Plaintiffs' investment.

3 69. On May 17, 2020, Plaintiffs provided URBAN COMMONS, UC SEATTLE,
4 LLC, UC BATTERY PARK, WOODS and WU with written correspondence wherein
5 Plaintiffs provided Defendants with notice of Plaintiffs' rescission of their respective
6 subscriptions for membership interests in UC SEATTLE and UC BATTERY PARK
7 respectively. In said written correspondence, Plaintiffs demanded remittance of their
8 \$750,000 investments (\$250,000 for Dr. Clifford and \$500,000 for Dr. Christensen). Much
9 to Plaintiffs' dismay, Defendants, to date, have failed to reimburse Plaintiffs' respective
10 investments. A copy of the Notice of Recession is attached hereto as **Exhibit D**.

11 70. Importantly, before noticing rescission, Plaintiffs requested from Defendants
12 proof that either: (i) the UC Seattle Offering and UC Battery Park Offering had been
13 completed and the Seattle Hilton and the Wagner Hotel had been acquired or (ii) that
14 Plaintiffs' investments were being held in a segregated interest-bearing escrow account.
15 Defendants, to date, have failed to honor Plaintiff's request, providing no proof whatsoever.

16 71. On or about June 6, 2020, Plaintiffs requested information from URBAN
17 COMMONS, UC SEATTLE, and UC BATTERY PARK pursuant to the provisions of the
18 UC SEATTLE Operating Agreement and UC BATTERY PARK Operating Agreement
19 respectively and applicable law (the "Information Request"). A copy of the Information
20 Request is attached hereto as **Exhibit E**.

21 72. On or about June 19, 2020, Defendants produced 282 bates stamped
22 documents comprised of 11,966 pages. On or about June 21, 2020, Plaintiffs, via written
23 correspondence, notified Defendants of the deficiencies in Defendants' document
24 production in response to Plaintiffs' Information Request. In particular, Plaintiffs informed
25 Defendants that Defendants' document dump was, with limited exception, nonresponsive
26 to the Information Request. Specifically, not a single page was produced evidencing that:

27 (i) Plaintiffs were members of either UC SEATTLE or UC BATTERY
28 PARK;

- (ii) the 2020 offerings of membership in which Plaintiffs participated occurred;
- (iii) Plaintiffs' funds were deposited into interest-bearing secure bank accounts;
- (iv) Plaintiffs' initial membership interests were reflected in the UC SEATTLE Operating Agreement and UC BATTERY PARK Operating Agreement respectively;
- (v) UC SEATTLE completed its offering and raised the necessary funds of \$40 million from its offering of membership interests;
- (vi) UC SEATTLE obtained a financing commitment for the acquisition loan in an approximate aggregate amount of US\$60 million in order to acquire and refurbish the Hilton Seattle; and
- (vii) UC BATTERY PARK completed its offering and raised the necessary funds of US\$70 million from its offering of membership interests.

73. In their June 21, 2020 written correspondence, Plaintiffs renewed their demand of May 17, 2020 for the return of their investment and reimbursement of professional fees. However, to date, Plaintiffs have neither been reimbursed nor have they received any evidence that their collective \$750,000 investment was used to acquire the Hilton Seattle or the Wagner Hotel, or that the funds are being kept in an interest-bearing escrow account. A copy of Plaintiffs' June 21, 2020 letter is attached hereto as **Exhibit F**.

74. On June 30, 2020, Plaintiffs provided EGNATZ and CHICAGO ANALYTIC with written correspondence wherein Plaintiffs provided Defendants with notice of Plaintiffs' rescission of their respective subscriptions for membership interests in UC SEATTLE and UC BATTERY PARK, respectively. In said written correspondence, Plaintiffs demanded remittance of their \$750,000 investments (\$250,000 for Dr. Rosen and \$500,000 for Dr. Christensen). Defendants, to date, have failed to reimburse Plaintiffs' respective investments and have refused to provide any explanation on the status of the alleged offering and the Plaintiffs' respective investments. A copy of the June 30, 2020

1 Notice of Recession is attached hereto as **Exhibit G**.

2 75. Thus, Plaintiffs currently are unaware of where their collective \$750,000
3 investment went or how it was used by Defendants. Defendants refuse to provide an
4 accounting of same. Plaintiffs fear that Defendants have absconded the \$750,000.

5 76. The UC Seattle and UC Battery Park Subscription Agreements both expressly
6 provide that should the offerings not be completed timely; the investments would be
7 returned to each Plaintiff with interest. Defendants have refused to do so even though they
8 failed to timely complete the offering and/or acquire the properties.

9 **ALTER EGOS**

10 77. On information and belief, and on that basis, Plaintiffs allege that Defendants
11 URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK are shell companies
12 being used as instrumentalities and conduits for a single venture controlled by Defendant
13 WOODS and his cohort WU, and Doe Defendants (“DOES”) 1 through 10. On information
14 and belief, Plaintiffs allege that URBAN COMMONS, UC SEATTLE, and UC BATTERY
15 PARK are the alter egos of WOODS and WU, by reason of the following:

16 a. Plaintiffs are informed and believe that there exists a unity of interest and
17 ownership between WOODS and WU on the one hand, and URBAN COMMONS, UC
18 SEATTLE, and UC BATTERY PARK, on the other hand, such that any individuality and
19 separateness between WOODS and WU on the one hand and URBAN COMMONS, UC
20 SEATTLE, and UC BATTERY PARK on the other hand, does not exist.

21 b. Plaintiffs are informed and believe that WOODS and WU exercise complete
22 control and dominance over URBAN COMMONS, UC SEATTLE, and UC BATTERY
23 PARK and, consequently, URBAN COMMONS, UC SEATTLE, and UC BATTERY
24 PARK are mere shells, instrumentalities, and conduits through which WOODS and WU
25 carry on a single enterprise as part of an association-in-fact enterprise.

26 c. Plaintiffs are informed and believe and thereon allege that WOODS and
27 WU at all times herein mentioned, dominated, influenced and controlled URBAN
28 COMMONS, UC SEATTLE, and UC BATTERY PARK, and any officers or directors

1 other than WOODS and WU, as well as the business, property, and affairs of URBAN
2 COMMONS, UC SEATTLE, and UC BATTERY PARK.

3 d. Plaintiffs are informed and believe and thereon allege that, at all times
4 herein mentioned, URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK were
5 created and continued pursuant to a fraudulent plan, scheme, and device conceived and
6 operated by an associate-in-fact enterprise formed by WOODS and WU, whereby income,
7 revenue and profits of URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK
8 were diverted to WOODS and WU through their positions as Principals, Managers or
9 Managing Member of such entities.

10 e. Plaintiffs are informed and believe and thereon allege that, at all times
11 herein mentioned, URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK were
12 organized by WOODS and WU as a device to defraud Plaintiffs of their investment in UC
13 SEATTLE and UC BATTERY PARK.

14 f. By virtue of the foregoing, adherence to the fiction of the separate corporate
15 existence of URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK would,
16 under the circumstances, sanction a fraud and promote injustice in that Plaintiffs may be
17 unable to realize upon any judgment in their favor. Plaintiffs are informed and believe and
18 thereon allege that, at all times relevant hereto, the individual Defendants WOODS and
19 WU, and entities URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK acted
20 for each other in connection with the conduct herein alleged and that each of them
21 performed the acts complained of herein or breached the duties herein complained of as
22 agents of each other and each is therefore fully liable for the acts of the other.

23 **DOE DEFENDANTS**

24 78. Plaintiffs are unaware of the true names and capacities, whether individual,
25 corporate, associate, or otherwise, of DOES 1 through 8, inclusive, or any of them, and are
26 gathering information to determine if other known entities or individuals are complicit in
27 Defendants' wrongdoing, and therefore sues these defendants, and each of them, by such
28 fictitious names. Plaintiffs will either file a DOE amendment and/or an amended complaint

1 and/or seek leave of this Court to amend this complaint when the status and identities of
2 these defendants are ascertained or when Plaintiffs determine claims against known entities
3 or individuals are warranted. The Doe defendants include individuals and entities assisting
4 or acting in concert with Defendants in connection with the acts complained of herein.

5 79. Each fictitiously named defendant was in some way responsible for,
6 participated in, or contributed to the matters of which Plaintiffs complain, and has legal
7 responsibility for those matters. Each of DOES 1 through 8 was in some way responsible
8 for, participated in, or contributed to the matters of which Plaintiffs complain
9 in the causes of action in which they are named.

10 CONSPIRACY

11 80. Defendants URBAN COMMONS, UC SEATTLE, UC BATTERY PARK,
12 WOODS, WU, EGNATZ, BIRT and Doe Defendants 3 through 8 formed a plan to engage
13 in a conspiracy to commit wrongful conduct, and all agreed to the shared common plan and
14 were each aware that each other planned to participate in the plan and that the plan was
15 unlawful and fraudulent. Plaintiff alleges that to the extent that WOODS and WU and
16 URBAN COMMONS, UC SEATTLE, and UC BATTERY PARK are found to be alter
17 egos of each other, then they acted together as one conspiring unit with DOES 1 through 8;
18 as an alternative theory of liability in the event that URBAN COMMONS, UC SEATTLE,
19 and UC BATTERY PARK are not found to be an alter ego of WOODS and WU, then
20 Plaintiffs allege that such non-alter ego entities URBAN COMMONS, UC SEATTLE, and
21 UC BATTERY PARK were separate co-conspirators, *see Webber v. Inland Empire*
22 *Investments* (1999) 74 Cal. App. 4th 884, 900-01.

23 81. Defendants EGNATZ, URBAN COMMONS, UC SEATTLE, UC
24 BATTERY PARK, BIRT and DOES 3 through 8 aided and abetted the commission of the
25 wrongful conduct alleged in this Complaint by WOODS and WU. Defendants EGNATZ,
26 as a director of URBAN COMMONS, and BIRT as his admitted partner in acting as
27 “exclusive” agents for URBAN COMONS, as well as URBAN COMMONS, UC
28 SEATTLE, UC BATTERY PARK, and DOES 3 through 8 knew that the conduct of

WOODS and WU constitutes a breach of duty and/or wrongful conduct and provided substantial assistance or encouragement to WOODS and WU to so act. Further, WOODS and WU, as managers and/or members of URBAN COMMONS, aided and abetted the commission of the wrongful conduct alleged in this Complaint by EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY, BIRT and DOES 3 through 8. WOODS and WU knew that the conduct of Defendants EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY PARK, BIRT and DOES 3 through 8 constitutes a breach of duty and/or wrongful conduct and provided substantial assistance or encouragement to EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY, BIRT and DOES 3 through 8, to so act.

82. Plaintiffs are informed and believe that DOES 3 through 8 were part of the planned conspiracy to commit wrongful conduct, and all agreed to the shared common plan and were each aware that each other, WOODS, WU, EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY PARK, and BIRT planned to participate in the plan and that the plan was unlawful and fraudulent. Plaintiffs are informed and believe that DOES 3 through 8 aided and abetted the commission of the wrongful conduct alleged in this Complaint by WOODS, WU, EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY PARK, and BIRT. DOES 3 through 8 knew that the conduct of WOODS, WU, EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY PARK, and BIRT constitutes a breach of duty and/or wrongful conduct and provided substantial assistance or encouragement to WOODS, WU, EGNATZ, URBAN COMMONS, UC SEATTLE, UC BATTERY PARK, and BIRT to so act.

FIRST CAUSE OF ACTION

(Violation of Section 5 of the Securities and Exchange Act Against All Defendants, and Does 3 through 8, Inclusive)

83. Plaintiffs hereby incorporate each and every allegation contained in paragraphs 1 through 82 and reallege those allegations as if fully set forth herein.

84. By engaging in the conduct described above, Defendants, directly or

1 indirectly, singly and in concert: (i) made use of the means or instruments of transportation
2 or communication in interstate commerce or of the mails to sell securities, through the use
3 or medium of a prospectus or otherwise; (ii) carried securities or caused such securities to
4 be carried through the mails or the interstate commerce, by any means or instruments of
5 transportation, for the purpose of sale or for delivery after sale; and/or (iii) made use of the
6 means or instruments of transportation or communication in interstate commerce or of the
7 mails offer to sell or offer to buy securities, through the use or medium of any prospectus
8 or otherwise.

9 85. No registration statement was filed or was in effect with the Securities
10 Exchange Commission ("SEC") pursuant to the Securities Act, and no exemption from
11 registration exists with respect to the offering and sale of securities to Plaintiffs described
12 herein.

13 86. By reason of the foregoing, Defendants violated Section 5 of the Securities
14 and Exchange Act.

15 **SECOND CAUSE OF ACTION**

16 **(Violation of Section 12 of the Securities and Exchange Act Against All**
17 **Defendants, and Does 3 through 8, Inclusive)**

18 87. Plaintiffs hereby incorporate each and every allegation contained in
19 paragraphs 1 through 86 and reallege those allegations as if fully set forth herein.

20 88. Defendants sold the securities described herein in violation of Section 5 of
21 the Securities act and are therefore jointly and severally liable under Section 12 of the
22 Securities Act.

23 89. Defendants also offered and sold securities using interstate commerce or the
24 mails by the means of oral communication, which included untrue statements of material
25 facts or omitted to state a material fact necessary in order to make the statements in light of
26 the circumstances under which they were made not misleading, and are therefore liable
27
28

1 under Section 12 of the Securities Act.

2 **THIRD CAUSE OF ACTION**

3 **(Violation of Section 15 of the Securities and Exchange Act Against WOODS, and**
4 **WU, and Does 3 through 8, Inclusive)**

5 90. Plaintiffs hereby incorporate each and every allegation contained in
6 paragraphs 1 through 89 and reallege those allegations as if fully set forth herein.

7 91. WOODS and WU are control persons within the meaning of Section 15 of the
8 Securities Act and are therefore jointly and severally liable for the violations by UC
9 SEATTLE and UC BATTERY PARK of Sections 5 and 12 of the Securities Act.

10 **FOURTH CAUSE OF ACTION**

11 **(Violation of Section 17 of the Securities and Exchange Act Against All Defendants,**
12 **and Does 3 through 8, Inclusive)**

13 92. Plaintiffs hereby incorporate each and every allegation contained in
14 paragraphs 1 through 91 and reallege those allegations as if fully set forth herein.

15 93. In the offer and sale of securities to Plaintiffs, Defendants employed devices,
16 schemes, and artifices to defraud Plaintiffs as described herein.

17 94. In the offer and sale of securities to Plaintiffs, as described in detail herein,
18 Defendants made untrue statements of material fact and omitted to state material facts
19 necessary in order to make the statements made in the light of the circumstances under
20 which they were made, not misleading.

21 95. In the offer and sale of securities to Plaintiffs, as described in detail herein,
22 Defendants engaged in transactions, practice or a course of business which operated as a
23 fraud and deceit on Plaintiffs.

24 96. Defendants are therefore liable under Section 17 of the Securities Act.

25 **FIFTH CAUSE OF ACTION**

26 **(Violation of Section 10(b) of the 1934 Securities and Exchange Act and Rule 10b-5**
27 **Against All Defendants and Does 3 through 8, Inclusive)**

28 97. Plaintiffs hereby incorporate each and every allegation contained in

1 paragraphs 1 through 96 and reallege those allegations as if fully set forth herein.

2 98. Defendants and each of them, by engaging in the conduct described herein
3 knowingly, recklessly, or negligently, directly or indirectly, in connection with the purchase
4 or sale of a security, by the use of means or instrumentalities of interstate commerce or of
5 the mails, with scienter, violated Section 10(b) and Rule 10b-5 by: (i) employing devices,
6 schemes, and artifacts to defraud; (ii) making untrue statements of material facts and
7 omitting to state material facts necessary in order to make the statements made, in light of
8 the circumstances under which they were made, not misleading; and (iii) engaging in acts,
9 practices and a course of business pursuant to which they knowingly or recklessly engaged
10 in acts that operated as a fraud or deceit upon Plaintiffs in connection with its offer and sale
11 of securities to Plaintiffs.

12 99. Plaintiffs were induced to purchase Defendants' securities as a direct and
13 proximate result of Defendants' fraud, deceit, misleading statements, concealments of
14 material facts and other conduct which constitute(s), separately and together, violations of
15 the Exchange Act as alleged.

16 100. Plaintiffs reasonably and justifiably relied upon the representations, promises
17 and other statements, communications and conduct by Defendants in investing in UC
18 SEATTLE and UC BATTERY PARK.

19 101. Plaintiffs were ignorant of, and Defendants concealed from Plaintiffs, and
20 did not disclose to Plaintiffs, material facts which were necessary to prevent the fraud,
21 deceit and other violations of the Exchange Act by Defendants. Defendants prevented
22 Plaintiffs from discovering the true facts as to Defendants' illegal and wrongful actions and
23 the damages caused Plaintiffs.

24 102. By engaging in the conduct described in this Complaint, Defendants, and each
25 of them, have violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule
26 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, in each and all Securities
27 Transactions, including offers and sales of UC SEATTLE and UC BATTERY PARK
28

1 securities, with and to Plaintiffs as alleged.

2 103. Plaintiffs have sustained damages in sums to be determined according to
3 proof, but exceeding the jurisdictional threshold of this Court.

4 104. Plaintiffs are entitled to recover their economic and other compensatory
5 damages from Defendants, and each of them, according to proof, together with pre- and
6 post-judgment interest, attorneys' fees, experts' fees and costs.

7 105. Plaintiff's damages include, without limitation, the principal sum of
8 \$750,000.00 which Plaintiffs paid collectively to purchase UC SEATTLE and UC
9 BATTERY PARK securities and other compensatory and consequential damages.

10 106. Defendants, and each of them, have acted with oppression, fraud and malice
11 in the matters herein alleged, for which Plaintiffs are entitled to recover punitive and
12 exemplary damages from each and all Defendants.

13 **SIXTH CAUSE OF ACTION**

14 **(Violation of California Corporations Code §§ 25401 and 25501 Against All**
15 **Defendants and Does 3 through 8, Inclusive)**

16 107. Plaintiffs hereby incorporate each and every allegation contained in
17 paragraphs 1 through 106 and reallege those allegations as if fully set forth herein.

18 108. It is unlawful for any person to offer or sell a security in the State of California
19 by means of any written or oral communication that includes an untrue statement of a material
20 fact or omits to state a material fact necessary to make the statements made, in the light of the
21 circumstances under which the statements were made, not misleading. Cal. Corp. Code §
22 25401.

23 109. Any person who violates California Corporations Code § 25401 is liable to
24 the person who purchased a security from him, who may sue either for rescission or for
25 damages (if the plaintiff or the defendant, as the case may be, no longer owns the security),
26 unless the defendant proves that the plaintiff knew the facts concerning the untruth or
27 omission or that the defendant exercised reasonable care and did not know (or if he had
28 exercised reasonable care would not have known) of the untruth or omission. Upon

1 rescission, a purchaser may recover the consideration paid for the security, plus interest at
2 the legal rate, less the amount of any income received on the security, upon tender of the
3 security. Cal. Corp. Code § 25501.

4 110. As set forth in this Complaint, Defendants offered to sell membership interests
5 to Plaintiffs in UC SEATTLE and UC BATTERY PARK in the State of California by means
6 of written and oral communications that included untrue statements of material facts and
7 omitted to state material facts necessary to make the statements made, in light of the
8 circumstances under which they statements were made, not misleading.

9 111. Defendants offered to sell those membership interests in UC SEATTLE and
10 UC BATTERY PARK to the Plaintiffs.

11 112. The membership interest in UC SEATTLE and UC BATTERY PARK
12 offered to be sold by Defendants constituted unregistered securities.

13 113. Plaintiffs both purchased securities from Defendants in UC SEATTLE and DR.
14 CHRISTENSEN purchased securities from Defendants in UC BATTERY PARK.

15 114. Plaintiffs herein sue UC SEATTLE and UC BATTERY PARK for rescission
16 of the purchase by Plaintiffs and sale by Defendants of the membership interests in UC
17 SEATTLE and UC BATTERY PARTY purchased by the Plaintiffs and sold by Defendants,
18 and to recover the consideration paid by Plaintiffs for those securities, plus interest at the
19 legal rate, less the amount of any income received on those securities.

20 **SEVENTH CAUSE OF ACTION**

21 **(For Violations of California Corporations Code §§ 25400 & 25500 (Against All**
22 **Defendants and Does 3 through 8, Inclusive)**

23 115. Plaintiffs hereby incorporate each and every allegation contained in
24 paragraphs 1 through 114 and reallege those allegations as if fully set forth herein.

25 116. In the misrepresentations and other wrongful and illegal conduct by
26 Defendants herein alleged, including in the solicitations, offers and sales of securities to
27 Plaintiffs, Defendants each and all violated Corporations Code Section 25400.

28 117. Defendants, and each of them, misrepresented the values and risks of

1 investing in the proffered securities and made other false and misleading statements and
2 engaged in other conduct which violate, individually and in aggregate, Corporations Code
3 Section 25400.

4 118. As provided in Corporations Code Section 25500, and as a result of
5 Defendants' violations of Corporations Code Section 25400, Plaintiffs are entitled to
6 damages and other relief.

7 119. Plaintiffs pray for damages pursuant to Corporations Code Section 25500,
8 including the sum of \$750,000 paid by Plaintiffs for securities in UC SEATTLE and UC
9 BATTERY PARK, together with interest accruing at the legal rate, including other
10 compensatory and consequential damages, and punitive and exemplary damages.

11 120. Plaintiffs also pray for recovery of such other damages as may be proven and
12 recoverable, including under Corporations Code Section 25500 and other applicable
13 California Securities Laws.

14 121. Alternatively, or in combination, as authorized by applicable provisions of
15 the California Securities Laws, including in Corporations Code Section 25000, et seq.,
16 Plaintiffs seek and apply for rescission of the securities transactions alleged and for
17 restitution of the entire \$750,000 principal sum paid by Plaintiffs, with interest at the legal
18 rate, and other damages according to proof, including attorneys' fees and costs, and other
19 compensatory and consequential damages and punitive and exemplary damages.

20 **EIGHTH CAUSE OF ACTION**

21 **(For Violations of California Corporations Code § 25403 Against WOODS and WU)**

22 122. Plaintiffs hereby incorporate each and every allegation contained in
23 paragraphs 1 through 121 and reallege those allegations as if fully set forth herein.

24 123. Defendants WOODS and WU are jointly and severally liable for UC
25 SEATTLE and UC BATTERY PARK's violations of the California Corporations Code as
26 they are either control persons of UC SEATTLE and UC BATTERY PARK and knowingly
27 induced the violations described in the Complaint, or they provided substantial assistance
28 in the violations of the California Corporations Code as described in this Complaint.

NINTH CAUSE OF ACTION

**(For Violations of California Corporations Code §§ 25503, 25504.1 & 25110 Against
All Defendants and Does 3 through 8, Inclusive)**

124. Plaintiffs hereby incorporate each and every allegation contained in paragraphs 1 through 123 and reallege those allegations as if fully set forth herein.

125. Defendants have solicited, offered and sold securities in UC SEATTLE and UC BATTERY PARK without qualifying said securities for sale in California, including as issuer transactions, as required by Corporations Code Section 25110, et seq., including in the offer and sale of securities to Plaintiffs.

126. Defendants' offers and sales of securities in UC SEATTLE and UC BATTERY PARK were not exempt from qualification under Corporations Code Section 25110, or other provisions of the California Securities Laws.

127. By the foregoing, each and all Defendants have violated Corporations Code Section 25110, thereby entitling Plaintiffs to recover damages and other relief, including under Corporations Code Sections 25503 and 25504.1.

128. Plaintiffs pray for damages pursuant to Corporations Code Sections 25503 and 25504.1, including the sum of \$750,000 paid by Plaintiffs for securities in UC SEATTLE and UC BATTERY PARK, together with interest accruing at the legal rate.

129. Plaintiffs also pray for recovery of such other damages as may be proven and recoverable under Corporations Code Sections 25503 and 25504.1, including attorneys' fees and costs, as well as other compensatory and consequential damages and punitive and exemplary damages.

130. Alternatively or in combination, as authorized by applicable provisions of the California Securities Laws, including in Corporations Code Section 25000, et seq., Plaintiffs seek and apply for rescission of the securities transactions alleged and for restitution of the entire \$750,000 principal sum paid by Plaintiffs, with interest at the legal rate, and other damages according to proof.

TENTH CAUSE OF ACTION

**(Violation of California Corporations Code §25504 Against All Defendants and Does
3 through 8, Inclusive)**

131. Plaintiffs hereby incorporate each and every allegation contained in paragraphs 1 through 130 and reallege those allegations as if fully set forth herein.

132. Every person who directly or indirectly controls a person liable under California Corporations Code § 25501, every partner in a firm so liable, every principal executive officer or director of a corporation so liable, every person occupying a similar status or performing similar functions, every employee of a person so liable who materially aids in the act or transaction constituting the violation, and every broker-dealer or agent who materially aids in the act or transaction constituting the violation, are also liable jointly and severally with and to the same extent as such person, unless the other person who is so liable had no knowledge of or reasonable grounds to believe in the existence of the facts by reason of which the liability is alleged to exist. Cal. Corp. Code § 25504.

133. Additionally, any person who materially assists in any violation of California Corporations Code § 25501, with intent to deceive or defraud, is jointly and severally liable with any other person liable for such violation. Cal. Corp. Code. § 25504.1.

134. WOODS directly and indirectly controls UC SEATTLE and UC BATTERY PARK. WOODS is a principal executive officer and director of UC SEATTLE and UC BATTERY PARK, or occupies a similar status and performs similar functions as a principal executive officer or director of, and a partner in, UC SEATTLE and UC BATTERY PARK. WOODS is also an employee and agent of UC SEATTLE and UC BATTERY who materially aided and assisted in the acts and transactions constituting the violation by UC SEATTLE and UC BATTERY PARK of California Corporations Code § 25401, and did so with the intent to deceive and defraud, incurring liability of UC SEATTLE and UC BATTERY PARK to Plaintiffs under California Corporations Code § 25501, as set forth in this Complaint. WOODS had knowledge of and reasonable grounds to believe in the existence of the facts by which the liability of UC SEATTLE and UC BATTERY PARK, under California Corporations Code §§ 25401 and 25501, is alleged to exist. WOODS is jointly and severally

1 liable therefor, with and to the same extent as UC SEATTLE and UC BATTERY PARK.

2 135. WU directly and indirectly controls UC SEATTLE and UC BATTERY PARK.
3 WU is a principal executive officer and director of UC SEATTLE and UC BATTERY
4 PARK, or occupies a similar status and performs similar functions as a principal executive
5 officer or director of, and a partner in, UC SEATTLE and UC BATTERY PARK. WU also
6 is an employee and agent of UC SEATTLE and UC BATTERY PARK who materially aided
7 and assisted in the acts and transactions constituting the violation by UC SEATTLE and UC
8 BATTERY PARK of California Corporations Code § 25401, and did so with the intent to
9 deceive and defraud, incurring liability of UC SEATTLE and UC BATTERY PARK to
10 Plaintiffs under California Corporations Code § 25501, as set forth in this Complaint. WU
11 had knowledge of and reasonable grounds to believe in the existence of the facts by which
12 the liability of UC SEATTLE and UC BATTERY PARK, under California Corporations
13 Code §§ 25401 and 25501, is alleged to exist. WU is jointly and severally liable therefor, with
14 and to the same extent as UC SEATTLE and UC BATTERY PARK.

15 136. URBAN COMMONS directly and indirectly controls UC SEATTLE and UC
16 BATTERY PARK. URBAN COMMONS occupies a similar status and performs similar
17 functions as a principal executive officer or director of, and a partner in, UC SEATTLE and
18 UC BATTERY PARK. URBAN COMMONS also is an agent of UC SEATTLE and UC
19 BATTERY PARK who materially aided and assisted in the acts and transactions constituting
20 the violation by UC SEATTLE and UC BATTERY PARK of California Corporations Code
21 § 25401, and did so with the intent to deceive and defraud, incurring liability of UC
22 SEATTLE and UC BATTERY PARK to Plaintiffs under California Corporations Code §
23 25501, as set forth in this Complaint. URBAN COMMONS had knowledge of and reasonable
24 grounds to believe in the existence of the facts by which the liability of UC SEATTLE and
25 UC BATTERY PARK, under California Corporations Code §§ 25401 and 25501, is alleged
26 to exist. URBAN COMMONS is jointly and severally liable therefor, with and to the same
27 extent as UC SEATTLE and UC BATTERY PARK.

28 137. EGNATZ directly and indirectly controls UC SEATTLE and UC BATTERY

1 PARK. EGNATZ occupies a similar status and performs similar functions as a partner in UC
2 SEATTLE and UC BATTERY PARK. EGNATZ also is an agent of UC SEATTLE and UC
3 BATTERY PARK who materially aided and assisted in the acts and transactions constituting
4 the violation by UC SEATTLE and UC BATTERY PARK of California Corporations Code
5 § 25401, and did so with the intent to deceive and defraud, incurring liability of UC
6 SEATTLE and UC BATTERY PARK to Plaintiffs under California Corporations Code §
7 25501, as set forth in this Complaint. EGNATZ had knowledge of and reasonable grounds to
8 believe in the existence of the facts by which the liability of UC SEATTLE and UC
9 BATTERY PARK, under California Corporations Code §§ 25401 and 25501, is alleged to
10 exist. EGNATZ is jointly and severally liable thereto, with and to the same extent as UC
11 SEATTLE and UC BATTERY PARK.

12 138. BIRT, along with EGNATZ, admits to being an “exclusive
13 agent for the placement of securities on behalf of URBAN COMMONS, UC BATTERY
14 PARK, and UC SEATTLE. As such, BIRT acted as an agent with direct and indirect control
15 of UC SEATTLE and UC BATTERY PARK. On information and belief, and on that basis,
16 Plaintiffs allege that BIRT occupies a similar status and performs similar functions as a
17 partner in UC SEATTLE and UC BATTERY PARK. BIRT also is an agent of UC
18 SEATTLE and UC BATTERY PARK who materially aided and assisted in the acts and
19 transactions constituting the violation by UC SEATTLE and UC BATTERY PARK of
20 California Corporations Code § 25401, and did so with the intent to deceive and defraud,
21 incurring liability of UC SEATTLE and UC BATTERY PARK to Plaintiffs under California
22 Corporations Code § 25501, as set forth in this Complaint. BIRT had knowledge of and
23 reasonable grounds to believe in the existence of the facts by which the liability of UC
24 SEATTLE and UC BATTERY PARK, under California Corporations Code §§ 25401 and
25 25501, is alleged to exist. BIRT is jointly and severally liable thereto, with and to the same
26 extent as UC SEATTLE and UC BATTERY PARK.

27 139. Each of WOODS, WU, URBAN COMMONS, EGNATZ, and BIRT
28 transmitted, caused to be transmitted, delivered, caused to be delivered, or caused to be

1 disseminated to Plaintiffs materially untrue statements and omissions of material fact as
2 alleged in this Complaint.

3 140. As a direct and proximate result thereof, Plaintiffs have suffered damages and
4 are entitled to rescission of their purchase of membership interest in UC SEATTLE and UC
5 BATTERY PARK. Each of WOODS, WU, URBAN COMMONS, EGNATZ, and BIRT are
6 jointly and severally liable with UC SEATTLE and UC BATTERY PARK therefor, with and
7 to the same extent as UC SEATTLE and UC BATTERY PARK.

8 **ELEVENTH CAUSE OF ACTION**

9 **(Violation of California Corporations Code §§ 25401 & 25504.1 Against All**
10 **Defendants and Does 3 through 8, Inclusive)**

11 141. Plaintiffs hereby incorporate each and every allegation contained in
12 paragraphs 1 through 140 and reallege those allegations as if fully set forth herein.

13 142. Defendants, through their Conspiracy and otherwise, materially participated
14 and joined in the offers and sales of securities in California, including to Plaintiffs, by means
15 of false, fraudulent and misleading oral and written representations including documents
16 intended to induce and solicit Plaintiffs' purchase of securities in UC SEATTLE and UC
17 BATTERY PARK.

18 143. Defendants intended to mislead, deceive and defraud Plaintiffs in said offers
19 and sales of securities in UC SEATTLE and UC BATTERY PARK, including through
20 Defendants' representations, Conspiracy and other conduct as described herein.

21 144. Defendants each had full knowledge of the false, misleading, fraudulent and
22 deceitful representations being made to Plaintiffs, including through the communications
23 from Defendants to Plaintiffs as alleged.

24 145. Defendants each disseminated the solicitation and offering documents and
25 information to Plaintiffs with the intent of misleading, deceiving and defrauding Plaintiffs
26 and to induce Plaintiffs to purchase securities in UC SEATTLE and UC BATTERY PARK.

27 146. Each Defendant knowingly intended that Plaintiffs would rely on the promises
28 and other representations being made by Defendants to Plaintiffs to induce Plaintiffs'

1 purchase of securities in UC SEATTLE and UC BATTERY PARK.

2 147. Each Defendant intended that Plaintiffs would pay, and in justifiable reliance
3 on Defendants' misleading, false and fraudulent statements and concealments of material
4 information, Plaintiffs did pay to Defendants for securities in UC SEATTLE and UC
5 BATTERY PARK the total sum of \$750,000.

6 148. By the foregoing, each and all Defendants have violated Corporations Code
7 Section 25401, including derivatively, thereby entitling Plaintiffs to recover damages and
8 other relief under Corporations Code Section 25504.1, as well as punitive and exemplary
9 damages.

10 149. Plaintiffs pray for damages pursuant to Corporations Code Section 25504,
11 including the sum of \$750,000 paid by Plaintiffs in the purchase of securities in UC
12 SEATTLE and UC BATTERY PARK, together with interest accruing at the legal rate.

13 150. Plaintiffs also pray for recovery of such other damages as may be proven and
14 recoverable, including under Corporations Code Sections 25401 and 25504.1, including other
15 compensatory and consequential damages.

16 151. Alternatively or in combination, as authorized by applicable provisions of the
17 California Securities Laws, including in Corporations Code Section 25000, et seq., Plaintiffs
18 seek and apply for rescission of the securities transactions alleged and for restitution of the
19 entire \$750,000 principal sum paid by Plaintiffs, with interest at the legal rate, and other
20 damages according to proof, including other compensatory and consequential damages and
21 punitive and exemplary damages.

22 **TWELFTH CAUSE OF ACTION**

23 **(Violation of California Corporations Code §§ 25200, et seq. & 25501.5 Against All**
24 **Defendants and Does 3 through 8, Inclusive)**

25 152. Plaintiffs hereby incorporate each and every allegation contained in
26 paragraphs 1 through 151 and reallege those allegations as if fully set forth herein.

27 153. At the times of the solicitations, offers and sales of the securities in UC
28 SEATTLE and UC BATTERY PARK to Plaintiffs, none of the Defendants were licensed as

1 securities broker dealer(s) as required by Part 3 of the Corporations Code, Section 25200, et
2 seq.

3 154. Plaintiffs hereby rescind and tender back to UC SEATTLE and UC BATTERY
4 PARK and to the other Defendants, the securities sold to and purchased by Plaintiffs, as
5 provided in Corporations Code Section 25501.5.

6 155. Defendants further are liable to restore and return to Plaintiffs, and Plaintiffs
7 hereby seek and apply for restitution of all consideration paid by Plaintiffs for the securities
8 purchased in UC SEATTLE and UC BATTERY PARK, in the sum of \$750,000, together
9 with interest at the legal rate.

10 156. Plaintiffs further seek recovery of additional damages according to proof,
11 including under Corporations Code Section 25501.5, and other compensatory and
12 consequential damages.

13 157. Plaintiffs further are entitled to recoveries and other relief pursuant to
14 California Code of Civil Procedure Section 1029.8 due to the injury, loss and damages caused
15 to Plaintiffs by Defendants, who are unlicensed persons who solicited, purported to provide
16 advice to Plaintiffs and who conducted and directed the offer and sales of securities to
17 Plaintiffs.

18 158. By virtue of Defendants' failure to be licensed in the foregoing transactions and
19 activities as legally required, Plaintiffs, accordingly, are entitled to recover from Defendants,
20 under Code of Civil Procedure Section 1029.8(a), without limitation of Plaintiffs' other
21 remedies, additional damages for "treble the amount of damages assessed in a civil action in
22 any court having proper jurisdiction." The additional damages shall not exceed \$10,000.00
23 under Section 1029.8(c).

24 159. Plaintiffs further pray, under Code of Civil Procedure Section 1029.8(a), for
25 recovery of Plaintiffs' costs and attorneys' fees in this action and if Plaintiffs prevail herein.
26 Plaintiffs respectfully contend that such award would be a proper exercise of this Court's
27 discretion pursuant to the foregoing statute.

28 **THIRTEENTH CAUSE OF ACTION**

**(Theft By False Pretense – California Penal Code §496(c), Against All Defendants
and Does 3 through 8, Inclusive)**

160. Plaintiffs hereby incorporate each and every allegation contained in paragraphs 1 through 159 and reallege those allegations as if fully set forth herein.

161. Defendants obtained \$750,000 from Plaintiffs under false pretenses. More specifically, as part of their offering and sale of securities in UC SEATTLE and UC BATTERY PARK, Defendants represented to Plaintiffs that: (i) previous investments with URBAN COMMONS had earned a cash on cash return of 30% in three and one-half months; (ii) UC SEATTLE and UC BATTERY PARK would not use or apply the purchase price until the necessary funds from the offerings had been raised; (iii) the funds raised for the respective offerings would be used to invest in entities which would acquire, own, operate, and eventually sell the Seattle Hilton and the Wagner Hotel; (iv) the purchase price for each property would be deposited into interest-bearing secure bank accounts; (v) if the Subscription Agreements were terminated, all funds raised would be returned to the investors, together with any interest remaining on such funds following the payment of all costs and expenses; (vi) the offering for UC BATTERY PARK would be completed by March 6, 2020; (vii) UC SEATTLE and UC BATTERY PARK would obtain loans in an approximate aggregate amount of \$60 million and \$100 million to acquire the Seattle Hilton and Wagner Hotel respectively; and (viii) the Seattle Hilton would be sold to EAGLEHT by early summer 2020 and UC BATTERY PARK would be sold to EAGLEHT by fourth quarter of 2020.

162. At the time Defendants made these representations, Defendants were well aware that EAGLEHT was not performing well, Defendants knew that EH-REIT had defaulted on a \$341 million facility loan, and that the default on the loan was caused by URBAN COMMONS' failure, as master lessee, of EHT's properties, to place with EHT the full sum of security deposits due under the master lease agreements and timely pay rent since December 2019. Defendants further knew that they were under investigation by the Monetary Authority of Singapore (MAS) and the Singapore Exchange for suspected

1 breaches of disclosure requirements under Section 203 of the Singapore Securities and
2 Futures Act, and breaches of regulations and listing rules in relation to EH-REIT and that
3 trading of EHT's units had been suspended.

4 163. Defendants intended for Plaintiffs to rely on the representations to obtain
5 funding through Plaintiffs' investment in an act of theft.

6 164. Under these false pretenses, which were unbeknownst to Plaintiffs at the time,
7 Plaintiffs both invested in UC SEATTLE and Plaintiff CHRISTENSEN invested in UC
8 BATTERY.

9 165. The theft amounted to \$750,000.00. Under Penal Code Section 496(c),
10 Plaintiffs are entitled to three times the amount of actual damages, costs of suit, and its
11 reasonable attorneys' fees.

12 **FOURTEENTH CAUSE OF ACTION**

13 **(Constructive Fraud Against All Defendants and Does 3 through 8, Inclusive)**

14 166. Plaintiffs hereby incorporate each and every allegation contained in
15 paragraphs 1 through 165 and reallege those allegations as if fully set forth herein.

16 167. A relation of trust and confidence existed between Defendants on the one
17 hand and Plaintiffs on the other hand.

18 168. Defendants engaged in various acts, omissions, and concealment involving
19 breaches of the above duties and trust and confidence placed in Defendants by Plaintiffs,
20 including that they failed to disclose to Plaintiffs that: (i) EAGLEHT was not performing
21 well, (ii) EH-REIT had defaulted on a \$341 million facility loan, (iii) the default on the loan
22 was caused by URBAN COMMONS' failure, as master lessee, of EHT's properties, to
23 place with EHT the full sum of security deposits due under the master lease agreements and
24 timely pay rent since December 2019; (iv) Defendants were under investigation by the
25 Monetary Authority of Singapore ("MAS") and the Singapore Exchange for suspected
26 breaches of disclosure requirements under Section 203 of the Singapore Securities and
27 Futures Act, and breaches of regulations and listing rules in relation to EH-REIT; and (v)
28 trading of EHT's units had been suspended.

1 169. Specifically, Defendants represented to Plaintiffs that (i) previous
2 investments with URBAN COMMONS had earned a cash on cash return of 30% in three
3 and one-half months; (ii) UC SEATTLE and UC BATTERY PARK would not use or apply
4 the purchase price until the necessary funds from the offerings had been raised; (iii) the
5 funds raised for the respective offerings would be used to invest in entities which would
6 acquire, own, operate, and eventually sell the Seattle Hilton and the Wagner Hotel; (iv) the
7 purchase price for each property would be deposited into interest-bearing secure bank
8 accounts; (v) if the Subscription Agreements were terminated, all funds raised would be
9 returned to the investors, together with any interest remaining on such funds following the
10 payment of all costs and expenses; (vi) the offering for UC BATTERY PARK would be
11 completed by March 6, 2020; (vii) UC SEATTLE and UC BATTERY PARK would obtain
12 loans in an approximate aggregate amount of \$60 million and \$100 million to acquire the
13 Seattle Hilton and Wagner Hotel respectively; and (viii) the Seattle Hilton would be sold to
14 EAGLEHT by early summer 2020 and UC BATTERY PARK would be sold to EAGLEHT
15 by fourth quarter of 2020. Each of these representations were false, was known by their
16 makers to be false at the time made, and induced the Plaintiffs' justifiable reliance on
17 Defendants when both made an investment in UC SEATTLE and DR. CHRISTENSEN
18 invested in UC BATTERY PARK.

19 170. Plaintiffs did not know of Defendants' acts, omissions, and concealment.

20 171. Plaintiffs reasonably and actually relied upon the acts, omissions and
21 concealment by Defendants.

22 172. Plaintiffs were harmed by Defendants' acts, omissions, and concealment in that
23 had the important facts been disclosed to Plaintiffs, Plaintiffs would have taken steps,
24 including not investing in UC SEATTLE and/or UC BATTERY PARK.

25 173. Defendants' breach of their duties and of the confidence and trust placed in
26 them by Plaintiffs was a substantial factor in causing Plaintiffs' harm.

27 174. In committing the acts herein, Defendants are guilty of oppression (despicable
28 conduct that subjected Plaintiffs to cruel and unjust hardship in conscious disregard of

1 Plaintiffs' rights), fraud (intentional misrepresentations, deceit, and concealment of material
2 facts known to Plaintiffs with the intention on the part of Defendants of thereby depriving
3 Plaintiffs of monies and legal rights, including, and otherwise causing injury), malice
4 (conduct intended by said Defendants to cause injury to Plaintiffs), and authorized ratified,
5 or performed the acts, justifying an award of exemplary and punitive damages, pursuant to
6 Civil Code Section 3294, in a sum appropriate to punish Defendants and to deter similar
7 future misconduct and to make an example of them to the community.

8 **FIFTEENTH CAUSE OF ACTION**

9 **(Fraud-False Promise Against All Defendants and Does 3 through 8, Inclusive)**

10 175. Plaintiffs hereby incorporate each and every allegation contained in
11 paragraphs 1 through 174 and reallege those allegations as if fully set forth herein.

12 176. In or about January 2020 and February 2020, Defendants engaged in private
13 offerings for UC SEATTLE and UC BATTERY PARK. The offering for UC Seattle was
14 for up to \$40 million and the offering for UC BATTERY PARK was for up to \$70 million.
15 As part of these offerings, Defendants promised that: (i) previous investments with URBAN
16 COMMONS had earned a cash on cash return of 30% in three and one-half months; (ii) UC
17 SEATTLE and UC BATTERY PARK would not use or apply the purchase price until the
18 necessary funds from the offerings had been raised; (iii) the funds raised for the respective
19 offerings would be used to invest in entities which would acquire, own, operate, and
20 eventually sell the Seattle Hilton and the Wagner Hotel; (iv) the purchase price for each
21 property would be deposited into interest-bearing secure bank accounts; (v) if the
22 Subscription Agreements were terminated, all funds raised would be returned to the
23 investors, together with any interest remaining on such funds following the payment of all
24 costs and expenses; (vi) the offering for UC BATTERY PARK would be completed by
25 March 6, 2020; (vii) UC SEATTLE and UC BATTERY PARK would obtain loans in an
26 approximate aggregate amount of \$60 million and \$100 million to acquire the Seattle Hilton
27 and Wagner Hotel respectively; and (viii) the Seattle Hilton would be sold to EAGLEHT
28 by early summer 2020 and UC BATTERY PARK would be sold to EAGLEHT by fourth

1 quarter of 2020. These promises were important to the establishment of the business
2 relationship between Plaintiffs and Defendants.

3 177. Defendants did not intend to perform their promises when such promises were
4 made.

5 178. Defendants intended for Plaintiffs to rely on their promises to obtain funding
6 from Plaintiffs.

7 179. Plaintiffs reasonably relied on Defendants' promises and proceeded to both
8 invest in UC SEATTLE and DR. CHRISTENSEN also invested in UC BATTERY PARK.
9 Defendants did not perform the promised acts. Defendants never honored their obligations
10 under the Subscription Agreements. As a result, Defendants failed to: (i) complete the
11 offering for UC SEATTLE; (ii) complete the offering for UC BATTERY PARK; (iii) obtain
12 financing commitments for the acquisition loans in an approximate aggregate of \$60 million
13 and \$100 million in order to acquire and refurbish the Seattle Hilton and the Wagner Hotel
14 respectively; (iv) purchase and refurbish either the Seattle Hilton or the Wagner Hotel; and
15 (iv) return to Plaintiffs their initial investments totaling \$750,000.

16 180. Plaintiffs were harmed by Defendants' failure to perform their promises.
17 Plaintiffs both invested in UC SEATTLE and DR. CHRISTENSEN invested in UC
18 BATTERY PARK, and received nothing in return, leaving Plaintiffs out of pocket
19 \$750,000. Additionally, Plaintiffs have incurred and will incur additional expenses,
20 including attorneys' fees and costs. Plaintiffs seek rescission of the UC Seattle Offering and
21 UC Battery Park Offering and are entitled to "complete relief" including "restitution of
22 benefits" and "any consequential damages." (Cal. Civ. Code §1692.)

23 181. Plaintiffs' reliance on Defendants' promises was a substantial factor in
24 causing Plaintiffs' harm.

25 182. In committing the acts herein, Defendants are guilty of oppression (despicable
26 conduct that subjected Plaintiffs to cruel and unjust hardship in conscious disregard of
27 Plaintiffs' rights), fraud (intentional misrepresentations, deceit, and concealment of material
28 facts known to Plaintiffs with the intention on the part of Defendants of thereby depriving

1 Plaintiffs of monies and legal rights, including, and otherwise causing injury), malice
2 (conduct intended by said Defendants to cause injury to Plaintiffs), and authorized ratified,
3 or performed the acts, justifying an award of exemplary and punitive damages, pursuant to
4 Civil Code Section 3294, in a sum appropriate to punish Defendants and to deter similar
5 future misconduct and to make an example of them to the community.

6
7
8 **SIXTEENTH CAUSE OF ACTION**

9 **(Fraud-False Promise Against All Defendants and Does 3 through 8, Inclusive)**

10 183. Plaintiffs hereby incorporate each and every allegation contained in
11 paragraphs 1 through 182 and reallege those allegations as if fully set forth herein.

12 184. Defendants, to induce Plaintiffs to invest in UC SEATTLE and UC
13 BATTERY PARK, failed to disclose important facts, including that: (i) EAGLEHT was not
14 performing well, (ii) EH-REIT had defaulted on a \$341 million facility loan, (iii) the default
15 on the loan was caused by URBAN COMMONS' failure, as master lessee, of EHT's
16 properties, to place with EHT the full sum of security deposits due under the master lease
17 agreements and timely pay rent since December 2019; (iv) Defendants were under
18 investigation by the Monetary Authority of Singapore ("MAS") and the Singapore
19 Exchange for suspected breaches of disclosure requirements under Section 203 of the
20 Singapore Securities and Futures Act, and breaches of regulations and listing rules in
21 relation to EH-REIT; and (v) trading of EHT's units had been suspended.

22 185. Plaintiffs did not know of the concealed facts.

23 186. Defendants intended to deceive Plaintiffs and cause Plaintiffs to invest in UC
24 SEATTLE and UC BATTERY PARK by concealing such facts.

25 187. Plaintiffs reasonably and actually relied on Defendants' deceptions.

26 188. Plaintiffs were harmed by Defendants' concealment in that had the important
27 facts been disclosed, Plaintiffs would never have invested in UC SEATTLE and/or UC
28 BATTERY PARK pursuant to the UC Seattle Offering and UC Battery Park Offering.

1 Defendants' concealment of important facts has caused injury and damage to Plaintiffs of
2 at least \$750,000. Such damages include DR. ROSEN's \$250,000 investment in UC
3 SEATTLE, and DR. CHRISTENSEN'S \$250,000 investments in each of UC SEATTLE
4 and UC BATTERY PARK. Plaintiffs seek rescission of the UC Seattle Offering and UC
5 Battery Park Offering and are entitled to "complete relief" including "restitution of
6 benefits" and "any consequential damages." (Cal. Civ. Code §1692.)

7 189. Defendants' concealment was a substantial factor in causing Plaintiffs' harm.

8 190. In committing the acts herein, Defendants are guilty of oppression (despicable
9 conduct that subjected Plaintiffs to cruel and unjust hardship in conscious disregard of
10 Plaintiffs' rights), fraud (intentional misrepresentations, deceit, and concealment of material
11 facts known to Plaintiffs with the intention on the part of Defendants of thereby depriving
12 Plaintiffs of monies and legal rights, including, and otherwise causing injury), malice
13 (conduct intended by said Defendants to cause injury to Plaintiffs), and authorized ratified,
14 or performed the acts, justifying an award of exemplary and punitive damages, pursuant to
15 Civil Code Section 3294, in a sum appropriate to punish Defendants and to deter similar
16 future misconduct and to make an
17 example of them to the community.

18 **SEVENTEENTH CAUSE OF ACTION**

19 **(Intentional Misrepresentation Against All Defendants and Does 3 through 8,**
20 **Inclusive)**

21 191. Plaintiffs hereby incorporate each and every allegation contained in
22 paragraphs 1 through 190 and reallege those allegations as if fully set forth herein.

23 192. Defendants misrepresented an essential material fact. As part of their offer
24 and sale of securities in UC SEATTLE and UC BATTERY PARK to Plaintiffs, Defendants
25 promised that: (i) previous investments with URBAN COMMONS had earned a cash on
26 cash return of 30% in three and one-half months; (ii) UC SEATTLE and UC BATTERY
27 PARK would not use or apply the purchase price until the necessary funds from the
28 offerings had been raised; (iii) the funds raised for the respective offerings would be used

1 to invest in entities which would acquire, own, operate, and eventually sell the Seattle Hilton
2 and the Wagner Hotel; (iv) the purchase price for each property would be deposited into
3 interest-bearing secure bank accounts; (v) if the Subscription Agreements were terminated,
4 all funds raised would be returned to the investors, together with any interest remaining on
5 such funds following the payment of all costs and expenses; (vi) the offering for UC
6 BATTERY PARK would be completed by March 6, 2020; (vii) UC SEATTLE and UC
7 BATTERY PARK would obtain loans in an approximate aggregate amount of \$60 million
8 and \$100 million to acquire the Seattle Hilton and Wagner Hotel respectively; and (viii) the
9 Seattle Hilton would be sold to EAGLEHT by early summer 2020 and UC BATTERY
10 PARK would be sold to EAGLEHT by fourth quarter of 2020.

11 193. At the time Defendants made this representation, Defendants knew that such
12 representations were false, as Defendants were well aware that: (i) EAGLEHT was not
13 performing well, (ii) EH-REIT had defaulted on a \$341 million facility loan, (iii) the default
14 on the loan was caused by URBAN COMMONS' failure, as master lessee, of EHT's
15 properties, to place with EHT the full sum of security deposits due under the master lease
16 agreements and timely pay rent since December 2019; (iv) Defendants were under
17 investigation by the Monetary Authority of Singapore ("MAS") and the Singapore
18 Exchange for suspected breaches of disclosure requirements under Section 203 of the
19 Singapore Securities and Futures Act, and breaches of regulations and listing rules in
20 relation to EH-REIT; and (v) trading of EHT's units had been suspended.

21 194. Defendants intended for Plaintiffs to rely on the representations to obtain
22 funding through Plaintiffs' investment.

23 195. Plaintiffs reasonably relied on Defendants' representations, having no reason
24 to believe that they would not receive back their initial investments, and as such, proceeded
25 to invest in the UC Seattle Offering and UC Battery Park Offering.

26 196. Plaintiffs were harmed by Defendants' misrepresentations. Plaintiffs both
27 invested in UC SEATTLE and DR. CHRISTENSEN also invested in UC BATTERY
28 PARK, and Plaintiffs received nothing in return, causing injury and damage to Plaintiffs of

1 at least \$750,000. Such damages include DR. ROSEN's \$250,000 investment in UC
2 SEATTLE, and DR. CHRISTENSEN'S \$250,000 investments in each of UC SEATTLE
3 and UC BATTERY PARK. Plaintiffs seek rescission of the UC Seattle Offering and UC
4 Battery Park Offering and are entitled to "complete relief" including "restitution of
5 benefits" and "any consequential damages." (Cal. Civ. Code §1692.)

6 197. Plaintiffs' reliance on Defendants' misrepresentations was a substantial factor
7 in causing Plaintiffs' harm.

8 198. In committing the acts herein, Defendants are guilty of oppression (despicable
9 conduct that subjected Plaintiffs to cruel and unjust hardship in conscious disregard of
10 Plaintiffs' rights), fraud (intentional misrepresentations, deceit, and concealment of material
11 facts known to Plaintiffs with the intention on the part of Defendants of thereby depriving
12 Plaintiffs of monies and legal rights, including, and otherwise causing injury), malice
13 (conduct intended by said Defendants to cause injury to Plaintiffs), and authorized ratified,
14 or performed the acts, justifying an award of exemplary and punitive damages, pursuant to
15 Civil Code Section 3294, in a sum appropriate to punish Defendants and to deter similar
16 future misconduct and to make an
17 example of them to the community.

18 **EIGHTEENTH CAUSE OF ACTION**

19 **(Negligent Misrepresentation Against All Defendants and Does 3 through 8,**
20 **Inclusive)**

21 199. Plaintiffs hereby incorporate each and every allegation contained in
22 paragraphs 1 through 198 and reallege those allegations as if fully set forth herein.

23 200. Defendants misrepresented an essential material fact. As part of their offer
24 and sale of securities in UC SEATTLE and UC BATTERY PARK to Plaintiffs, Defendants
25 promised that (i) previous investments with URBAN COMMONS had earned a cash on
26 cash return of 30% in three and one-half months; (ii) UC SEATTLE and UC BATTERY
27 PARK would not use or apply the purchase price until the necessary funds from the
28 offerings had been raised; (iii) the funds raised for the respective offerings would be used

1 to invest in entities which would acquire, own, operate, and eventually sell the Seattle Hilton
2 and the Wagner Hotel; (iv) the purchase price for each property would be deposited into
3 interest-bearing secure bank accounts; (v) if the Subscription Agreements were terminated,
4 all funds raised would be returned to the investors, together with any interest remaining on
5 such funds following the payment of all costs and expenses; (vi) the offering for UC
6 BATTERY PARK would be completed by March 6, 2020; (vii) UC SEATTLE and UC
7 BATTERY PARK would obtain loans in an approximate aggregate amount of \$60 million
8 and \$100 million to acquire the Seattle Hilton and Wagner Hotel respectively; and (viii) the
9 Seattle Hilton would be sold to EAGLEHT by early summer 2020 and UC BATTERY
10 PARK would be sold to EAGLEHT by fourth quarter of 2020.

11 201. At the time Defendants made this representation, Defendants knew that such
12 representations were false, as Defendants were well aware that: (i) EAGLEHT was not
13 performing well, (ii) EH-REIT had defaulted on a \$341 million facility loan, (iii) the default
14 on the loan was caused by URBAN COMMONS' failure, as master lessee, of EHT's
15 properties, to place with EHT the full sum of security deposits due under the master lease
16 agreements and timely pay rent since December 2019; (iv) Defendants were under
17 investigation by the Monetary Authority of Singapore ("MAS") and the Singapore
18 Exchange for suspected breaches of disclosure requirements under Section 203 of the
19 Singapore Securities and Futures Act, and breaches of regulations and listing rules in
20 relation to EH-REIT; and (v) trading of EHT's units had been suspended.

21 202. Defendants intended for Plaintiffs to rely on the representations to obtain
22 funding through Plaintiffs' investment.

23 203. Plaintiffs reasonably relied on Defendants' representations, having no reason
24 to believe that they would not receive back their initial investments, and as such, proceeded
25 to provide invest in the UC Seattle Offering and UC Battery Park Offering.

26 204. Plaintiffs were harmed by Defendants' misrepresentations. Plaintiffs both
27 invested in UC SEATTLE and DR. CHRISTENSEN also invested in UC BATTERY
28 PARK, and Plaintiffs received nothing in return, causing injury and damage to Plaintiffs of

1 at least \$750,000. Such damages include DR. ROSEN's \$250,000 investment in UC
2 SEATTLE, and DR. CHRISTENSEN'S \$250,000 investments in each of UC SEATLTLE
3 and UC BATTERY PARK. Plaintiffs seek rescission of the UC Seattle Offering and UC
4 Battery Park Offering and are entitled to "complete relief" including "restitution of
5 benefits" and "any consequential damages." (Cal. Civ. Code §1692.)

6 205. Plaintiffs' reliance on Defendants' misrepresentation was a substantial factor
7 in causing Plaintiffs' harm.

8 206. In committing the acts herein, Defendants are guilty of oppression (despicable
9 conduct that subjected Plaintiffs to cruel and unjust hardship in conscious disregard of
10 Plaintiffs' rights), fraud (intentional misrepresentations, deceit, and concealment of material
11 facts known to Plaintiffs with the intention on the part of Defendants of thereby depriving
12 Plaintiffs of monies and legal rights, including, and otherwise causing injury), malice
13 (conduct intended by said Defendants to cause injury to Plaintiffs), and authorized ratified,
14 or performed the acts, justifying an award of exemplary and punitive damages, pursuant to
15 Civil Code Section 3294, in a sum appropriate to punish Defendants and to deter similar
16 future misconduct and to make an example of them to the community.

17 **NINETEENTH CAUSE OF ACTION**

18 **(Negligence Against All Defendants and Does 3 through 8, Inclusive)**

19 207. Plaintiff hereby re-alleges and incorporates each and every allegation contained
20 in paragraphs 1 through 206 and re-alleges those allegations as if fully set forth herein.

21 208. Based on their relationship with Plaintiffs, Defendants owed a duty of care to
22 Plaintiffs.

23 209. Each of the Defendants engaged in gross negligence in that their conduct—and
24 lack thereof—failed to exercise the barest minimum of care and departed from the ordinary
25 standard of care under the circumstances in their dealings with Plaintiffs, to Plaintiffs'
26 detriment.

27 210. Each of the Defendants also engaged in negligence in that they failed to
28 exercise reasonable care under the circumstances in their dealings with Plaintiffs, to

1 Plaintiffs' detriment.

2 211. As a proximate result of such negligence on the part of Defendants, Plaintiffs
3 have suffered damages in an amount to be established at trial, but which are in excess of
4 \$750,000.00.

5 **TWENTIETH CAUSE OF ACTION**

6 **(Violation of California Corporations Code §17704.41 Against All Defendants And**
7 **Does 3 through 8 Inclusive)**

8 212. Plaintiffs hereby incorporate each and every allegation contained in
9 paragraphs 1 through 211 and reallege those allegations as if fully set forth herein.

10 213. The members of UC SEATTLE and UC BATTERY PARK residing in
11 California represent twenty-five percent (25%) or more of the voting interests of the members
12 of UC SEATTLE and UC BATTERY PARK.

13 214. UC SEATTLE and UC BATTERY PARK are manager-managed limited
14 liability companies.

15 215. Plaintiffs are entitled to all information and inspection rights with respect to
16 UC SEATTLE and UC BATTERY PARK as provided in California Corporations Code §
17 17704.10.

18 216. Proper demand was made by the Information Request upon URBAN
19 COMMONS, UC SEATTLE, and UC BATTERY PARK for information and inspection
20 pursuant to California Corporations Code §17704.10.

21 217. Defendants provided documents and information in response to Plaintiffs'
22 Information Request, however, the documents and information provided by Defendants were
23 woefully deficient and not a single page was produced evidencing that:

- 24 (i) Plaintiffs were members of either UC SEATTLE or UC BATTERY
25 PARK;
26 (ii) the 2020 offerings of membership in which Plaintiffs participated
27 occurred;
28 (iii) Plaintiffs' funds were deposited into interest-bearing secure bank

accounts;

(iv) Plaintiffs' initial membership interests were reflected in the UC SEATTLE Operating Agreement and UC BATTERY PARK Operating Agreement respectively;

(v) UC SEATTLE completed its offering and raised the necessary funds of \$40 million from its offering of membership interests;

(vi) UC Seattle obtained a financing commitment for the acquisition loan in an approximate aggregate amount of \$60 million in order to acquire and refurbish the Hilton Seattle; and

(vii) UC BATTERY PARK completed its offering and raised the necessary funds of \$70 million from its offering of membership interests.

218. Plaintiffs seek an order of the Court requiring Defendants to provide all information and permit the inspection in its entirety as requested by the Information Request, pursuant to California Corporations Code § 17704.10.

TWENTY-FIRST CAUSE OF ACTION

(Violation of California Business & Professions Code Section 17200, et seq. Against All Defendants and Does 3 through 8 Inclusive)

219. Plaintiffs hereby incorporate each and every allegation contained in paragraphs 1 through 218 and reallege those allegations as if fully set forth herein.

220. Defendants have committed unlawful, unfair and fraudulent business activities and practices in their offering and selling of securities to Plaintiffs.

221. By such conduct, Defendants, and each of them, have violated California Business & Professions Code Section 17200, et seq. Defendants' violations have continued throughout their business in California and to present date, including when Defendants misled and defrauded Plaintiffs into purchasing securities in UC SEATTLE and UC BATTERY PARK.

222. As a direct and proximate result of Defendants' unfair, unlawful and fraudulent business practices in violation of Business & Professions Code Section 17200, as alleged,

1 Plaintiffs are entitled to, and hereby seek, (a) rescission of Plaintiffs' purchases of securities
2 in UC SEATTLE and UC BATTERY PARK, as alleged, and (b) restitution to Plaintiffs of
3 all monies which Plaintiffs have paid for purchase of securities in UC SEATTLE and UC
4 BATTERY PARK, i.e., the sum of \$750,000.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiffs Clifford A. Rosen, MD and Ronald Christensen, MD. pray
7 for judgment against Defendants URBAN COMMONS, LLC, URBAN COMMONS 6TH
8 AVE SEATTLE, URBAN COMMONS BATTERY PARK, LLC, TAYLOR WOODS,
9 HOWARD WU, C. BRIAN EGNATZ, JASON BIRT, and DOES 3 through 8 and each of
10 them, as follows:

11 **ON THE FIRST CAUSE OF ACTION:**

- 12 1. For an award of general damages in an amount to be proven at trial;
13 2. To recover the consideration paid by Plaintiffs for the securities, plus interest
14 at the legal rate, less the amount of any income received on those securities;
15 3. For an award of punitive or exemplary damages, according to proof at trial;
16 4. For pre-judgment interest.

17
18 **ON THE SECOND CAUSE OF ACTION:**

- 19 5. For an award of general damages in an amount to be proven at trial;
20 6. To recover the consideration paid by Plaintiffs for the securities, plus interest
21 at the legal rate, less the amount of any income received on those securities;
22 7. For an award of punitive or exemplary damages, according to proof at trial;
23 8. For pre-judgment interest.

24
25 **ON THE THIRD CAUSE OF ACTION:**

- 26 9. For an award of general damages in an amount to be proven at trial;
27 10. To recover the consideration paid by Plaintiffs for the securities, plus interest
28 at the legal rate, less the amount of any income received on those securities;

11. For an award of punitive or exemplary damages, according to proof at trial;
12. For pre-judgment interest.

ON THE FOURTH CAUSE OF ACTION:

13. For an award of general damages in an amount to be proven at trial;
14. To recover the consideration paid by Plaintiffs for the securities, plus interest at the legal rate, less the amount of any income received on those securities;
15. For an award of punitive or exemplary damages, according to proof at trial;
16. For pre-judgment interest.

ON THE FIFTH CAUSE OF ACTION:

17. For an award of general damages in an amount to be proven at trial;
18. To recover the consideration paid by Plaintiffs for the securities, plus interest at the legal rate, less the amount of any income received on those securities;
19. For an award of punitive or exemplary damages, according to proof at trial;
20. For pre-judgment interest.

ON THE SIXTH CAUSE OF ACTION:

21. For an award of general damages in an amount to be proven at trial;
22. To recover the consideration paid by Plaintiffs for the securities, plus interest at the legal rate, less the amount of any income received on those securities;
23. For an award of punitive or exemplary damages, according to proof at trial;
24. For pre-judgment interest.

ON THE SEVENTH CAUSE OF ACTION:

25. For an award of general damages in an amount to be proven at trial;
26. To recover the consideration paid by Plaintiffs for the securities, plus interest at the legal rate, less the amount of any income received on those securities;
27. For an award of punitive or exemplary damages, according to proof at trial;

28. For pre-judgment interest.

ON THE EIGHTH CAUSE OF ACTION:

29. For an award of general damages in an amount to be proven at trial;

30. To recover the consideration paid by Plaintiffs for the securities, plus interest at the legal rate, less the amount of any income received on those securities;

31. For an award of punitive or exemplary damages, according to proof at trial;

32. For pre-judgment interest.

ON THE NINTH CAUSE OF ACTION

33. For an award of general damages in an amount to be proven at trial;

34. For an award of punitive or exemplary damages, according to proof at trial;

35. For rescission of the purchase by Plaintiffs of the membership interest in UC Seattle and UC Battery Park purchased by Plaintiffs, recovery to Plaintiffs of all of the consideration paid by Plaintiffs for those securities, plus interest at the legal rate, less the amount of any income received on those securities.

36. For pre-judgment interest.

ON THE TENTH CAUSE OF ACTION

37. For an award of general damages in an amount to be proven at trial;

38. For an award of punitive or exemplary damages, according to proof at trial;

39. For rescission of the purchase by Plaintiffs of the membership interest in UC Seattle and UC Battery Park purchased by Plaintiffs, recovery to Plaintiffs of all of the consideration paid by Plaintiffs for those securities, plus interest at the legal rate, less the amount of any income received on those securities.

40. For pre-judgment interest.

ON THE ELEVENTH CAUSE OF ACTION

41. For an award of general damages in an amount to be proven at trial;
42. For an award of punitive or exemplary damages, according to proof at trial;
43. For rescission of the purchase by Plaintiffs of the membership interest in UC Seattle and UC Battery Park purchased by Plaintiffs, recovery to Plaintiffs of all of the consideration paid by Plaintiffs for those securities, plus interest at the legal rate, less the amount of any income received on those securities.
44. For pre-judgment interest.

ON THE TWELFTH CAUSE OF ACTION

45. For an award of general damages in an amount to be proven at trial;
46. For an award of punitive or exemplary damages, according to proof at trial;
47. For rescission of the purchase by Plaintiffs of the membership interest in UC Seattle and UC Battery Park purchased by Plaintiffs, recovery to Plaintiffs of all of the consideration paid by Plaintiffs for those securities, plus interest at the legal rate, less the amount of any income received on those securities.
48. For pre-judgment interest.

ON THE THIRTEENTH CAUSE OF ACTION

49. For an award of general damages in an amount to be proven at trial;
50. For an award equal to three times the amount of actual damages sustained by Plaintiffs;
51. For reasonable attorneys' fees pursuant to Penal Code Section 496(c);
52. For pre-judgment interest.

ON THE FOURTEENTH CAUSE OF ACTION

53. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;
54. For consequential damages, in an amount according to proof at trial,

55. For an award of punitive or exemplary damages, according to proof at trial;

56. For pre-judgment interest

ON THE FIFTEENTH CAUSE OF ACTION

57. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;

58. For consequential damages, in an amount according to proof at trial,

59. For an award of punitive or exemplary damages, according to proof at trial;

60. For pre-judgment interest.

ON THE SIXTEENTH CAUSE OF ACTION

61. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;

62. For consequential damages, in an amount according to proof at trial,

63. For an award of punitive or exemplary damages, according to proof at trial;

64. For pre-judgment interest.

ON THE SEVENTEENTH CAUSE OF ACTION

65. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;

66. For consequential damages, in an amount according to proof at trial,

67. For an award of punitive or exemplary damages, according to proof at trial;

68. For pre-judgment interest.

ON THE EIGHTEENTH CAUSE OF ACTION

69. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;

70. For consequential damages, in an amount according to proof at trial,

71. For an award of punitive or exemplary damages, according to proof at trial;

72. For pre-judgment interest.

ON THE NINETEENTH CAUSE OF ACTION

73. For restitution of benefits, including the return of Plaintiffs' \$750,000 investment;

74. For consequential damages, in an amount according to proof at trial,

75. For an award of punitive or exemplary damages, according to proof at trial;

76. For pre-judgment interest.

ON THE TWENTIETH CAUSE OF ACTION

77. For an award of general damages in an amount to be proven at trial;

78. For an award of punitive or exemplary damages, according to proof at trial;

79. For pre-judgment interest.

ON THE TWENTY-FIRST CAUSE OF ACTION

80. For restitutionary disgorgement;

81. For permanent injunctive relief;

82. For pre-judgment interest.

FOR ALL CAUSES OF ACTION

83. For pre-judgment interest;

84. For costs of suit incurred herein;

85. For reasonable attorneys' fees, to the extent allowed by law;

86. For suitable temporary restraining orders, writs of attachment, expedited discovery orders, turnover orders, and preliminary injunctions, as necessary to prevent Defendants from causing additional harm to Plaintiffs and to prevent the dissipation of assets and to ensure that a judgment can be satisfied; and

1 87. For such other and further relief as the Court may deem just and proper.

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3 DATED: October 19, 2022

4 GARCIA RAINEY BLANK & BOWERBANK LLP

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6 By /s/ Norma V. Garcia

7 NORMA V. GARCIA
8 JEFFREY M. BLANK
9 Attorneys for Plaintiffs
10 Clifford A. Rosen, MD
11 Ronald Christensen, MD
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DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury.

DATED: October 19, 2022

GARCIA RAINEY BLANK & BOWERBANK LLP

By /s/ Norma V. Garcia
NORMA V. GARCIA
JEFFREY M. BLANK
Attorneys for Plaintiffs
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